

Explanation of Final Obligations under Operating Fund Program for Calendar Year (CY) 2009

The document describes the final obligations under the Operating Fund program for CY 2009. The funds under these obligations have been loaded in eLOCCS and will be available for drawdown on October 1.

Obligation Period

The final obligations for CY 2009 cover an additional three months, from October 1 through December 2009. The previous funding obligations covered the first nine months of 2009.

Final Proration

The Consolidated Appropriations Act of 2009 provided \$4.45 billion in operating subsidies for CY 2009.¹ Final total program eligibility for CY 2009 is \$5.03 billion, which resulted in eligibility proration of 88.42 percent (see Table 1).

Table 1: CY 2009 Proration Calculation

#	Description	Amount (in \$)
1	CY 2009 Appropriation	\$4,455,000,000
2	Less: Set aside for technical assistance to PHAs	(\$5,940,000)
3	Net Operating Fund Allocation	\$4,449,060,000
4	Less: Unavailable due to recaptures	(\$283,351)
5	Amount Available for Distribution (3) - (4)	\$4,448,776,649
6	CY 2009 Eligibility (Operating Fund)	\$5,030,643,109
7	CY 2009 Eligibility (HTK and MHP)	\$463,074
8	Total CY 2009 Eligibility (6) + (7)	\$5,031,106,183
9	Proration (5) / (8)	88.42%

For the previous obligations for CY 2009 funding, estimated subsidy eligibility was prorated at 88 percent. The higher proration factor (88.42 percent) is applied cumulatively to the start of the year.

Table 2 presents a comparison of CY 2008 and CY 2009 operating subsidy eligibility by key formula components.

¹ Excludes \$5.94 million set aside for technical assistance for asset management.

Table 2: CY 2009 Operating Fund Eligibility Compared with CY 2008

#	Description	CY 2008	CY 2009	Variance	% Variance
1	Unit Count	1,214,746	1,308,145	93,399	7.69%
2	Eligible Unit Months (EUM) ¹	13,596,662	13,491,102	761,982	-0.78%
3	Project Expense Level	\$4,521,730,021	\$4,647,084,637	\$125,354,616	2.77%
4	Utility Expense Level	\$1,544,732,243	\$1,700,005,397	\$155,273,154	10.05%
5	Add-ons:				
6	Self-Sufficiency	\$14,904,151	\$15,214,528	\$310,377	2.08%
7	Energy Loan Amortization	\$21,042,957	\$28,042,109	\$6,999,152	33.26%
8	PILOT	\$94,709,635	\$98,622,843	\$3,913,208	4.13%
9	Cost of Independent Audit	\$19,151,951	\$21,418,746	\$2,266,795	11.84%
10	Funding for Resident Participation Units	\$25,200,275	\$25,175,075	-\$25,200	-0.10%
11	Asset Management Fee	\$41,321,190	\$40,671,958	-\$649,232	-1.57%
12	Information Technology Fee	\$26,732,930	\$26,655,182	-\$77,748	-0.29%
13	Asset Repositioning Fee	\$63,789,564	\$67,986,011	\$4,196,447	6.58%
14	Total Add-Ons (6 through 13)	\$306,852,653	\$323,786,452	\$16,933,799	5.52%
15	Total Formula Expense (3+4+14)	\$6,373,314,917	\$6,670,876,486	\$297,561,569	4.67%
16	Formula Income	\$2,329,318,149	\$2,328,298,167	-\$1,019,982	-0.04%
17	Change in Utility Allowance	-\$50,146,010	-\$69,676,254	-\$19,530,244	38.95%
18	Total Formula Income (16+17)	\$2,279,172,141	\$2,258,621,913	-\$20,550,228	-0.90%
19	Other Formula Provisions:				
20	Moving to Work (MTW) with Alternative Subsidy Calculation	\$459,916,839	\$466,722,725	\$6,805,886	1.48%
21	Transition Funding (Decliners)	\$155,315,024	\$148,465,199	-\$6,849,825	-4.41%
22	Other	\$1,654,833	\$3,200,612	\$1,545,779	93.41%
23	Total Other Formula Provisions (20+21+22)	\$616,886,696	\$618,388,536	\$1,501,840	0.24%
24	Total Eligibility (15-18+23)	\$4,711,131,005	\$5,030,643,109	\$319,512,104	6.78%

¹ MTW PHAs with alternative subsidy calculation do not report EUMs. EUMs shown here include an estimated 867,542 EUMs for CY 2008 and 809,934 for CY 2009, for these MTW PHAs. Oakland Housing Authority (CA003) reported as a MTW in 2008 but not in 2009.

Final Obligations

For each PHA project, the Department has applied the proration factor of 88.42 percent to the final CY 2009 eligibility, and then subtracted the amount that was obligated for the first nine months, with the resulting figure representing the final obligation funding. Where PHAs had changes in project inventory, adjustments were made to reconcile project level funding.

The Financial Management Division (FMD) will post the following 2009 obligating documents:

1. Obligating letter showing the amount funded in the final obligation;
2. Copy of final approved HUD-52723 for each project; and
3. A worksheet showing the funding reconciliation across PHA projects.